

with the Republicans, we would try to achieve a certain level of savings in the Medicare program, which funds nursing homes and hospitals and home health and all that. We then produced, from our health care experts who deal with all the providers, the list of changes we thought were necessary to achieve that level of savings. The congressional budget people said they thought it would require more changes than that. So under the law, we had to do it. They didn't do this on purpose. What happened was they cut more than was necessary; they realized much bigger savings than they estimated. To that extent, our surplus is larger than it otherwise would be.

And we believe that it is mostly because we did too much that some of our nursing homes and hospitals and other programs are in trouble. And what I have done in extending, in taking the savings of the Balanced Budget Act for '97 out another 10 years, we have taken out of that some of the things we put in last time. And we have also set aside a fund of \$7.5 billion that can be allocated by Congress to the hospitals and the nursing homes that have been particularly disadvantaged by this, to try to alleviate this quite difficult financial situation a lot of them found themselves in.

Prescription Drug Coverage

Mr. Cuthbert. Much of the discussion here in Lansing concerned the prescription program that so featured part of your Medicare stabilization program. I have not, in all my reading and listening, been able to discern too much opposition to that. Have you?

The President. Well, I think there's opposition. The only opposition I'm aware of now is there are some in the Congress who are opposed to it, who say that—mostly the Republicans who want to use the money for the tax cut—they basically say, "Well, two-thirds of our seniors already have drug coverage." But as I pointed out today—we produced our report today—only about 24 percent have really good private sector drug coverage related to their former employment. The other coverage—either they don't have coverage at all, a third of them don't have any coverage; and the rest of them have coverage that's too expensive and too unreliable and is shrinking

every year. Some of them have coverage that has \$1,000 ceiling. And the most rapidly growing drug coverage has a \$500 ceiling. Well, for people with drug problems, you know, if they have \$2,000, \$3,000, \$4,000 worth of bills every year, that's not much coverage.

So we think that—this is a purely voluntary program, but we think that people ought to have another choice. They ought to have the option to have more adequate drug coverage at a considerably lower price than you get in the Medigap policy. Medigap is just too expensive. And it also goes up as people get older. And the older you get, the less able you are to pay, normally, and the higher the premium is. So I feel that this is quite a good thing to do.

Mr. Cuthbert. Speak to the fears of the people who say, "If this prescription drug program comes in, my company will cut drug prescription benefits."

The President. Well, we were concerned about that, because the 24 percent that have this drug coverage already, some of them actually have programs that are more generous than the one we're offering, and we don't want to mess that up. So we have offered, as a part of this program, quite generous subsidies to employers to continue such programs. And I think, actually, it might be that more employers will be willing to provide this coverage.

What's happening now is these employers are dropping this coverage like crazy right now; they're dropping it anyway. And so what we want to do is to give incentives for them to keep it, and then to add it back if they've dropped it. This will not aggravate this problem; this will make that problem better. However bad or good it is, it'll be better after this because it's totally voluntary. But the employers will have no financial incentives to drop it and put their people on the Medicare program because they're going to get direct subsidies from Medicare to keep what they've got.

President's Future

Mr. Cuthbert. As we'll hear in just a moment, we're going to hear from some of the folks who were at this meeting in Lansing,

the people from the audience and their stories. As you said in the presentation, those who criticize stories as ineffective don't know America. We are a collection of stories.

It seemed to me that since this is your last year in the Presidency—and, as you say, you're not running for anything—President Carter had the Habitat for Humanity; what are the chances that President Bill Clinton, after he's President, will focus on health care reform and health care issues as your next job?

The President. Well, I think it's one of the things that I will do. I've tried to bring this country together politically, economically, socially, across racial and religious lines. And one of the things that I expect I will be doing is to use the center that I will establish at my library to try to find ways to close the gaps in the fabric of our American community, including the health care gaps. You know, I care a lot about it.

But I think it's very important that we recognize we can do a huge amount in the one year and 5 months I have left. It would be a big mistake for us to all check out here—or a year and 6 months we've got left.

Mr. Cuthbert. You don't seem to be checking out.

The President. No, I think we ought to bear down. I tell my friends in the Congress all the time, I say, you know, we still get a check every 2 weeks. People are paying us. We need to show up for work. There will be an election, and time will take care of all the rest of this, and then we'll all go on about our business and do other things.

But it's funny, sometimes the pressure of an election—a lot of people have forgotten this, but in 1996 we passed welfare reform with overwhelming bipartisan majorities in both Houses; we passed an increase in the minimum wage; we did two or three other big things in '96. In '98, at the very end of the 11th hour, we passed a budget that provided for a downpayment on 100,000 teachers to take class size down to 18 in the first 3 grades. And we've already funded almost a third of them. I mean, this was a huge deal. So if we all just stay in harness here and focus and show up for work everyday, good things can happen.

Mr. Cuthbert. You said here in Lansing that you want the debate to be harmonious; you want it to be civil; you want it to be intelligent; and we hope it will remain this way on this program.

We thank you for contributing to that atmosphere and the information and inspiration you've given us today. Thank you very much for being on "Prime Time."

The President. Thank you very much. I'm delighted to be here. Thank you.

NOTE: The interview began at 2:20 p.m. on July 22 in Room 252 of the Dart Auditorium at Lansing Community College and was taped for later broadcast. "Prime Time Radio" is a production of the American Association of Retired Persons. This item was released by the Office of the Press Secretary on July 27.

Proclamation 7212—25th Anniversary of the Legal Services Corporation, 1999

July 26, 1999

By the President of the United States of America

A Proclamation

The Bill of Rights guarantees that no American shall be "deprived of life, liberty, or property, without due process of law." This promise lies at the heart of our free society and reflects our reverence for impartial justice and the rule of law. In a few simple words, it cements the fundamental covenant between our government and the people it serves.

Our Nation's founders understood that true justice cannot exist unless it is accessible to all. In this same spirit, Congress established the Legal Services Corporation (LSC) 25 years ago to secure equal access to justice under the law for all Americans by making available high-quality legal assistance in civil matters to citizens who otherwise would be unable to afford it.

Designed as a private, nonprofit, independent entity, the LSC focuses its efforts on funding local legal services programs that are rooted in and accountable to the communities they serve. The dedicated staffs of

these programs, and the many private attorneys who donate their time and expertise, strive to protect and defend the interests of their clients and to maintain the highest standards of the legal profession. In recent years, the LSC has provided grants to legal services programs serving every county in our Nation, as well as the U.S. territories. Each year, almost 60 thousand private attorneys participate by performing pro bono legal services, and almost 2 million people benefit from LSC-funded efforts.

The extraordinary success of the LSC highlights the importance of the legal profession's long-standing tradition of community service. It also reminds us of how much our society has been strengthened by the conscience and conviction of lawyers standing up for what is right. As part of my Call to Action to the American Legal Community, I hope to build on this tradition of service by challenging all attorneys across our Nation to donate some of their time and apply their skills to help those among us who cannot afford to pay for the representation they need.

As we mark the 25th anniversary of the Legal Services Corporation, I salute the dedicated members of the Board of Directors, attorneys, paralegals, support staff, and volunteers associated with the LSC who have worked with talent, generosity, and determination to uphold America's fundamental commitment to justice for all.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim July 25, 1999, as the 25th anniversary of the Legal Services Corporation. I urge all Americans to join me in recognizing the contributions that the Legal Services Corporation, and the local programs that it supports, have made in fulfilling the promise of equal justice under the law.

In Witness Whereof, I have hereunto set my hand this twenty-sixth day of July, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., July 28, 1999]

NOTE: This proclamation was released by the Office of the Press Secretary on July 27, and it was published in the *Federal Register* on July 29.

**Proclamation 7213—National
Korean War Veterans
Armistice Day, 1999**
July 26, 1999

*By the President of the United States
of America*

A Proclamation

In 1950, North Korea invaded its free neighbor to the south, raising the specter of armed communist expansion as a threat to democracies around the world. During the next 3 years of bitter struggle, more than 54,000 Americans gave their lives for the cause of freedom. With the signing of a negotiated armistice in 1953, the Korean War became for a time the "Forgotten War." But each year on National Korean War Veterans Armistice Day, we pledge never to forget the lessons of that savage and costly conflict nor the members of our Armed Forces who risked their lives to defend democracy, human dignity, and the right to self-determination.

The Korean War taught us that we have many allies in our ongoing crusade for human freedom and democratic rule. Under the auspices of the United Nations, 22 countries joined the United States and South Korea in resisting communist aggression by sending troops and providing medical support. Etched in stone on the Korean War Veterans Memorial in our Nation's capital, the names of these countries remind us that free nations everywhere share a profound responsibility to assist those who seek to defend themselves from the aggression of brutal and oppressive regimes. The Korean War also taught us the importance of vigilance in recognizing threats to freedom and the need for vigorous and decisive action in resisting such encroachments. Though the dark shroud of the Cold War has lifted from our world, new regional and ethnic conflicts remain a threat to international peace and human rights.

Whether in Iraq, Bosnia, Kosovo, or elsewhere, we will continue to defend the same eternal values for which so many courageous Americans fought in Korea.

The Congress, by Public Law 104-19 (36 U.S.C. 127), has designated July 27, 1999, as "National Korean War Veterans Armistice Day" and has authorized and requested the President to issue a proclamation in observance of this day.

Now, Therefore, I, William J. Clinton, President of the United States of America, do hereby proclaim July 27, 1999, as National Korean War Veterans Armistice Day. I call upon all Americans to observe this day with appropriate ceremonies and activities that honor and give thanks to our distinguished Korean War veterans. I also ask Federal departments and agencies and interested groups, organizations, and individuals to fly the flag of the United States at half-staff on July 27, 1999, in memory of the Americans who died as a result of their service in Korea.

In Witness Whereof, I have hereunto set my hand this twenty-sixth day of July, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

[Filed with the Office of the Federal Register, 8:45 a.m., July 28, 1999]

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Remarks on Women's Medicare Benefits

July 27, 1999

Thank you. She was great, wasn't she? Let's give her a hand. [Applause] Well, I must say that Judith did such a good job, there's hardly anything left to say. [Laughter] Thank you very much for being here, and we welcome your daughter here.

I want to thank Secretary Shalala and acknowledge the presence in the audience of Deborah Briceland-Betts, the executive director of the Older Women's League; the people here from the Henry Kaiser Family

Foundation; and the other representatives of women's groups, senior women's groups, and Medicare advocates. Hillary and Secretary Shalala and I are delighted to welcome you to the White House today, and we thank you for your interest in this critical issue.

We are here to discuss what I have repeatedly called a high-class problem. The American people are living longer, especially women. And it is a high-class problem because we have this surplus today, and a projected surplus for several years into the future, which will enable us to deal with the challenge of people living longer and spending more money on Medicare, and then the retirement of the baby boomers, which will put additional pressure on Medicare and on Social Security. It is a high-class problem, but we don't want it to turn into a nightmare because we walked away from it when we could have dealt with it, and we had the money to deal with it—when we had the time to deal with it, and we know good and well we ought to deal with it.

So, again I say I thank you for being here, and I hope today we can get out some information which will persuade the American people and Members of the Congress that the approach I have recommended for the future is the right one.

For 34 years now, Medicare has protected the health of our seniors; it has enriched the lives of the disabled; it has eased the financial burdens on families as they cared for their loved ones. For millions of American women, in particular, Medicare has been the lifeline to a dignified retirement.

As the report released today by the Older Women's League so clearly tell us, a strong and modern Medicare system is absolutely vital to the health and future of America's women. First, it is critical because the majority of beneficiaries quite simply are women. Listen to this: 20 of the 34 million Americans currently enrolled in Medicare are women. I think we've got a chart that says that. But look here, 41 million—41 percent of the people in this country on Medicare over 65 are men; 59 percent are women. And, of course, as time goes on, the percentages get better or worse, depending on your perspective. [Laughter] Twenty-nine percent of the people over 85 are men; 71 percent are women.

Seventeen percent of people over 100 are men; 83 percent are women. You may think those numbers are insubstantial, but Americans over 80 are the fastest growing population group in the United States, and I'm sure that most of us hope to be among them some day. So this is very important.

Second, without Medicare the doors to hospitals and doctors' offices, to basic medical treatment and good health would actually be closed to millions of older women. Throughout their lives, women's incomes have always lagged behind those of men, a gap underscored in retirement through smaller pensions and Social Security checks. So even as they must make ends meet on smaller incomes, women must meet greater health care needs. Nearly three-fourths of older women have two or more chronic illnesses, compared to just 65 percent of older men. For these women, Medicare has truly meant the difference between a healthy retirement and one clouded by uncertainty, untreated illness, and poverty.

Now, as you have just heard, the clock is ticking on Medicare's ability to meet the needs of our seniors in the next century—people living longer than ever, the retirement of the baby boom approaching, the Medicare Trust Fund will become insolvent by 2015. Now, you may think that's a good ways away, but let me tell you, when I took office, Medicare was supposed to become insolvent this year. And we took a lot of very strong steps to stop it from happening.

But we have taken all the easy steps, and some that, arguably, have gone too far. Everywhere I go, people say, you know, the therapy services have been cut back too much, or the inner-city hospitals with big teaching loads or the teaching hospitals generally—not just in the big urban centers—everywhere I go, people talk to me about this. So it should be obvious to everyone there are no longer any easy ways to lengthen the life of the Medicare Trust Fund, just as people are living longer and accessing it more. So that is problem one.

Problem two is that Medicare's benefits have not changed significantly since 1965, although the world of modern medicine has changed dramatically. There are some who really believe we can afford to put off this

until later. I disagree. To them I say, listen to Judith Cato's story. Like millions of women in the same situation, affording prescription drugs for herself is right around the corner, and for her mother is today. The typical 65-year-old woman retiring this year can expect to live to be 84. That's 19 more years of retirement. But if we don't act soon, the Medicare Trust Fund will expire in 16 years.

Over the past 6½ years, we have managed to transform an economy burdened by an unconscionable deficit of \$290 billion to an economy that today is the picture of fiscal health, with a surplus of \$99 billion and a large projected surplus over the next decade. We've done this by balancing the budget, cutting unnecessary spending, expanding our investments in education and training, expanding our trade abroad—all of it bringing interest rates down and getting investment up and giving us a remarkable period of economic growth, the longest peacetime expansion in our history, nearly 19 million new jobs and the lowest minority unemployment and the highest homeownership ever recorded.

The question is, what are we going to do with this? We know what one plan is. You have talked about it. The majority in Congress say, "Well, let's approve a big tax cut now and worry about Medicare and extending the life of the Social Security Trust Fund scheduled to run out of money in a little more than 30 years, let's worry about that later." One of my bright staff members said, "It's kind of like a family sitting around the kitchen table saying, 'You know, we have always wanted to plan a really fancy vacation to Europe. Let's just do it and blow the works, and when we get home, we'll figure out whether we can pay the mortgage, the car payment, and send the kids to college.'" [Laughter] You're laughing, but you know, it's not just a question of the size of the tax cut.

Why are we even discussing it before we decide what it takes to save and strengthen Medicare, what it takes to save Social Security, and what we have to invest in the education of our children, the defense of our Nation, the protection of our environment? Why don't we ask ourselves what it is we have to do before we ask ourselves what it is we would like to do?

So what do I think we have to do? Here's what I think we should do. I think, first of all, my plan would secure Medicare by dedicating over \$320 billion of our budget surplus for 10 years, to extend the life of the Trust Fund from 2015 to 2027; that would be the longest projected life we've had on a Trust Fund in many years. But we have not been this financially healthy in many years, nor have we faced the challenge of so many people retiring and living so long ever before. So we need to know it's going to be all right for a good while.

Secondly, we will introduce more modern mechanisms of competition to improve quality but to control costs as well as we can, as private sector innovations have done. We will give seniors the chance to choose between lower cost Medicare managed care plans and the traditional program, but we will not support changes that would force them to move from one to the other.

I also believe it's important to modernize benefits, and over the long run, the economical thing to do. Over the last 30 years, a medical revolution has transformed health care, and in many cases, prescription drugs now supplant what used to be routinely dealt with with surgeries. They have lengthened and improved the quality of life.

As the Older Women's League study shows, women have borne the greatest cost of this pharmaceutical revolution. According to the next chart, women spend \$1,200 a year on prescription drugs, on average, about 20 percent more than men. Now, as you have already heard, our plan will help seniors to afford the prescription drugs that have become essential to modern medicine. The plan is completely voluntary but available to all Medicare beneficiaries. This is a challenge, I might add, not just for poor women. It is also a challenge for middle class women as well.

Look at the next chart. Half of all middle class women—that is, for seniors, those who make at least \$12,700 a year or, with couples, \$17,000 a year—have no prescription drug coverage at all. So among those who have no coverage, a quarter are below the poverty line, a quarter are between 100 and 150 percent of poverty, half are over 150 percent of the poverty line; although, if your drug

bills are big enough, it doesn't take long to get down below the poverty line again.

Women who have tried to buy extra coverage through private Medigap policies have to cope with escalating premiums as they get older. That's one of the great ironies of these Medigap policies that I keep hearing about, you know, we don't really need this because of Medigap. They get more and more and more expensive as you get older and older and older and less and less and less able to come up with the money to pay for them.

Now, I think anybody that says we don't need to do this is out of touch with people's real lives and out of date. I'd also like to point out that our plan would eliminate the last barrier between seniors and preventive screenings—tests for breast cancer, colon cancer, prostate cancer, diabetes, and osteoporosis—that can help save their lives. For too many seniors on fixed incomes, especially low income women, the cost of the modest copayment is prohibitive. Last year for example—listen to this—just one in seven women took advantage of the mammograms covered by Medicare.

So what we want to do is to eliminate the deductible and the copayments for the preventive screenings, and we pay for it by introducing a modest co-pay on lab tests that are frequently overused, ones that have been identified, and by indexing to inflation the modest part B premium, which will be much less burdensome because it's more broadly spread in a smaller amount of money. But the people who need these preventive screenings, this will save lives.

Consider the irony of this. Every condition I just outlined, we pay for the doctor benefits, we pay for the hospital benefits, but we don't want to let people get the preventive screenings that will keep them from spending that money in the first place to keep them healthy and keep them alive. This is a good thing to do.

Now, this is a good plan. It is a responsible plan. And it is important that we deal with the Medicare challenge now, while we have the funds and the prosperity to do so. I have proposed to dedicate the Social Security portion of the surplus to Social Security, but also to lengthen the life of the Trust Fund by taking the interest savings we'll have, because